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July 11, 1994

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JUL 11 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

EX PARTE

William F. Caton
Acting Secretary
Federal Communications Commission
Mail Stop 1170
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Dear Mr. Caton:

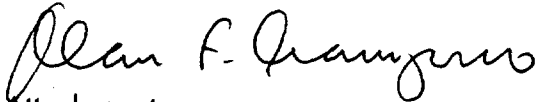
Re: *CC Docket No. 93-22, Policies and Rules Implementing the Telephone Disclosure and Dispute Resolution Act, 800 Information Calls*

Today, we sent the attached information to Jim Casserly of Commissioner Ness's office. Please associate this material with the above-referenced proceeding.

We are submitting two copies of this notice in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,


Attachment

cc: Jim Casserly

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List A B C D E

BILLING FOR 800 INFORMATION SERVICE CALLS JUL 11 1994

Background Information

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Pacific Bell has recently experienced a number of consumer complaints and media attention regarding charges to end users from third-party billing customers for information services on the Pacific Bell bill.

In 1993, the Federal Communications Commission (FCC) issued an order (Docket 93-22) to promote the development of legitimate pay-per-call services and shield consumers from fraudulent and deceptive practices. Under these rules, all interstate information services are required to offer pay-per-call services on the 900 access service code. 800 Information service charges are permissible under these rules and can be assessed against the calling party under two conditions:

- (1) if a presubscription agreement* has been established with the information services provider, or
- (2) through a credit or charge card that is subject to the Truth in Lending Act or Fair Credit Billing Act.

There are several players involved in this transaction. The information service provider contracts with a long distance carrier for the 800 number and for a service called Automatic Number Identification (ANI) which allows the information provider to receive the originating telephone number information for billing the call. (Pacific Bell does not provide ANI with Custom 800). The information service provider contracts with a carrier or billing clearinghouse, which in turn hires Pacific Bell to bill and collect these charges from the caller. Charges for the 800 information calls will appear on the carrier's or billing clearinghouse's separate page in the Pacific Bell bill.

Unlike 900/976 services, consumer safeguards such as blocking and required one-time adjustments do not exist for the provision and billing of 800 information services. Where as Pacific Bell has the technical capability to block access to 900/976 services, blocking to 800 services is only available through the carriers or clearinghouses providing the service. Further, Pacific Bell does not have the means of identifying whether the 800 service being billed is providing normal 800 service or an information service nor the content provided via 800 telephone numbers. Pacific will not knowingly provide billing for harmful matter.

* The definition of a "presubscription agreement" under the FCC rules is vague. Pacific Bell is working with both carriers and regulators to ensure a mutual understanding of what constitutes a presubscription agreement.

The 800 Information Calls typically work in the following manner:

- The consumer calls an advertised 800 number for an information or entertainment service, similar to services offered in the 900 or 976 dialing formats.
- The call will be answered with a recorded or live introductory disclosure message ("preamble") which is required under Docket 93-22 to clearly identify the following information:
 - (1) name and address of the information provider and description of service being provided;
 - (2) cost of the service being provided;
 - (3) when charges will begin and to avoid charges the call must be terminated, three seconds after a clearly discernible signal or tone indicating the end of the preamble;
 - (4) anyone under the age of 18 must have the permission of a parent or legal guardian in order to complete the call;
 - (5) any other fees that will be charged for the service shall be disclosed, as well as fees for any other pay-per-call service to which the caller may be transferred.
- The caller is given an access code and instructed to enter it to begin billing.
- The call is billed on the next phone bill in various formats (including direct dialed, card calls, etc.).

Consumer complaints regarding this arrangement are the same as those often arising in the past from 900/976 calls -- consumers were unaware they would be charged for the transactions, someone made the call without the consumer's permission, they were unaware that the originating telephone bill would be charged (i.e, hotels, motels, hospitals) or children had access to the service.

Until further clarification from the FCC, Pacific Bell will continue to respond to consumer complaints regarding these type of charges by removing them from the bill and adjusting/recoursing them back to the carrier/clearinghouse.